

Senate File 332 - Introduced

SENATE FILE 332

BY KLIMESH

A BILL FOR

1 An Act relating to solar energy by establishing a shared solar
2 net metering cooperative program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.1, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. A shared solar net metering cooperative
4 established pursuant to section 476.50 shall not be regarded as
5 a public utility for purposes of this chapter.

6 Sec. 2. Section 476.25, Code 2023, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 4. The furnishing of electricity pursuant
9 to a shared solar net metering cooperative under section 476.50
10 shall not be considered an unnecessary duplication of electric
11 utility facilities and shall not constitute a violation of this
12 section.

13 Sec. 3. NEW SECTION. **476.50 Shared solar net metering**
14 **cooperatives — established.**

15 1. As used in this section, unless the context otherwise
16 requires:

17 *a. "Electric utility"* means a public utility that furnishes
18 electricity to the public for compensation that is required to
19 be rate-regulated under this chapter.

20 *b. "Eligible distributed generation facility"* means a
21 distributed generation facility that elects a billing method
22 pursuant to section 476.49, and to which all of the following
23 apply:

24 (1) The facility is located behind a customer's electricity
25 meters.

26 (2) The facility is interconnected to the electric utility
27 distribution system.

28 (3) The facility has an aggregate nameplate capacity less
29 than or equal to one megawatt alternating current.

30 (4) The facility has a capability to produce no more than
31 one hundred ten percent of the net metering cooperative's
32 annual electricity usage.

33 (5) The facility's generating capacity and associated
34 energy is intended to serve only the electric requirements of
35 the net metering cooperative.

1 *c.* "Shared solar net metering cooperative" or "cooperative"
2 means a distributed generation facility that generates
3 electricity by means of a ground-mounted or roof-mounted
4 solar photovoltaic device whereby subscribers receive a bill
5 credit for the electricity generated in proportion to the size
6 of the customer's subscription. Shared solar net metering
7 cooperatives are alternative energy production facilities that
8 produce solar energy.

9 *d.* "Subscriber" means a customer of an electric utility
10 subject to this section who owns one or more subscriptions to a
11 shared solar net metering cooperative interconnected with that
12 utility.

13 *e.* "Subscription" means a proportional contractual interest
14 in a shared solar net metering cooperative, together with a
15 proportional interest in any state or federal tax credits for
16 which a shared solar net metering cooperative may be eligible.

17 2. A shared solar net metering cooperative program is
18 established to encourage and enhance the generation of solar
19 energy and to encourage and enhance the ability of electric
20 utility customers to participate in and derive benefit from
21 alternate solar energy projects.

22 *a.* Customers in the state may enter into a shared solar
23 net metering cooperative with an electric utility whereby
24 subscribers own the solar production at a location other than
25 the location where the customer has an electricity meter.

26 *b.* Customers become cooperative members by purchasing
27 subscription access to a shared solar net metering cooperative.
28 Subscribers to a shared solar net metering cooperative shall
29 receive a credit for the kilowatt-hours generated in proportion
30 to the size of the customer's subscription.

31 *c.* An electric utility shall be required to purchase
32 from a shared solar net metering cooperative in accordance
33 with section 476.49. A subscriber's portion of the
34 electricity purchased by the utility shall be credited to the
35 subscriber's account with the utility. The board shall develop

1 interconnection agreements for utilization by a shared solar
2 net metering cooperative interconnecting with a utility.

3 *d.* A shared solar net metering cooperative shall be subject
4 to the following:

5 (1) Utilize facilities generating electricity by means of
6 ground-mounted or roof-mounted solar photovoltaic devices.

7 (2) Provide subscription access to the cooperative
8 exclusively to customers of a single energy utility electric
9 utility.

10 (3) Deny access to state customers located farther than
11 thirty miles from the cooperative or customers located outside
12 of the state.

13 *e.* A subscriber may include all of their electricity meters
14 in the cooperative.

15 *f.* A shared solar net metering cooperative shall be limited
16 to ten subscribers per cooperative with some or all of the
17 subscribers having alternative energy production facilities
18 that produce solar energy. Each subscriber shall be a customer
19 of the same utility and shall have at least one electricity
20 meter.

21 *g.* Shared solar net metering cooperatives may be owned by
22 investors.

23 3. The board shall adopt rules to implement the provisions
24 of this section.

25

EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
27 the explanation's substance by the members of the general assembly.

28 This bill establishes a shared solar net metering
29 cooperative program.

30 The bill specifies that an "electric utility" for purposes
31 of the bill is a public utility that provides electricity
32 to the public for compensation and is required to be
33 rate-regulated under Code chapter 476. The bill defines
34 "shared solar net metering cooperative" or "cooperative"
35 to mean a distributed generation facility that generates

1 electricity through ground-mounted or roof-mounted solar
2 panels whereby subscribers may receive bill credits for
3 the electricity generated in proportion to the size of the
4 customer's subscription. The bill defines "subscriber" to
5 mean a customer of an electric utility who owns at least
6 one share of a subscription to a shared solar net metering
7 cooperative. The bill defines "subscription" to mean a
8 proportional contractual interest in a shared solar net
9 metering cooperative, including tax credits for which the
10 cooperative may be eligible.

11 The bill provides that a shared solar net metering
12 cooperative program is established to encourage and enhance
13 solar energy generation and the ability of electric public
14 utility customers to participate in and derive benefit from
15 alternate solar energy projects.

16 The bill provides that electric utility customers may
17 become subscribers of shared solar net metering cooperatives
18 by which subscribers may own the solar energy produced at
19 a location other than the location where the customer has
20 an electricity meter. Customers shall receive a credit in
21 proportion to the customer's subscription. The bill provides
22 that a utility shall be required to purchase in accordance with
23 billing methods established pursuant to Code section 476.49.
24 A subscriber's portion of the electricity purchased by the
25 utility shall be credited to the subscriber's account with
26 the utility. The bill provides that the Iowa utilities board
27 shall develop interconnection agreements for utilization by a
28 shared solar net metering cooperative interconnecting with the
29 utility.

30 The bill provides that a shared solar net metering
31 cooperative may consist of subscribers located within 30
32 miles of the cooperative, shall not consist of out-of-state
33 subscribers, and shall interconnect exclusively with one
34 electric utility. The bill provides that a subscriber may
35 include all of the subscriber's electricity meters in the

1 cooperative. The bill provides that a shared solar net
2 metering cooperative shall be limited to 10 subscribers
3 per cooperative with some or all of the subscribers having
4 alternative energy production facilities that produce solar
5 energy. Each subscriber shall be a customer of the same
6 utility and shall have at least one electricity meter. The
7 bill provides that shared solar net metering cooperatives may
8 be owned by investors.

9 The bill requires the Iowa utilities board to adopt rules
10 regarding implementation of the bill's provisions.